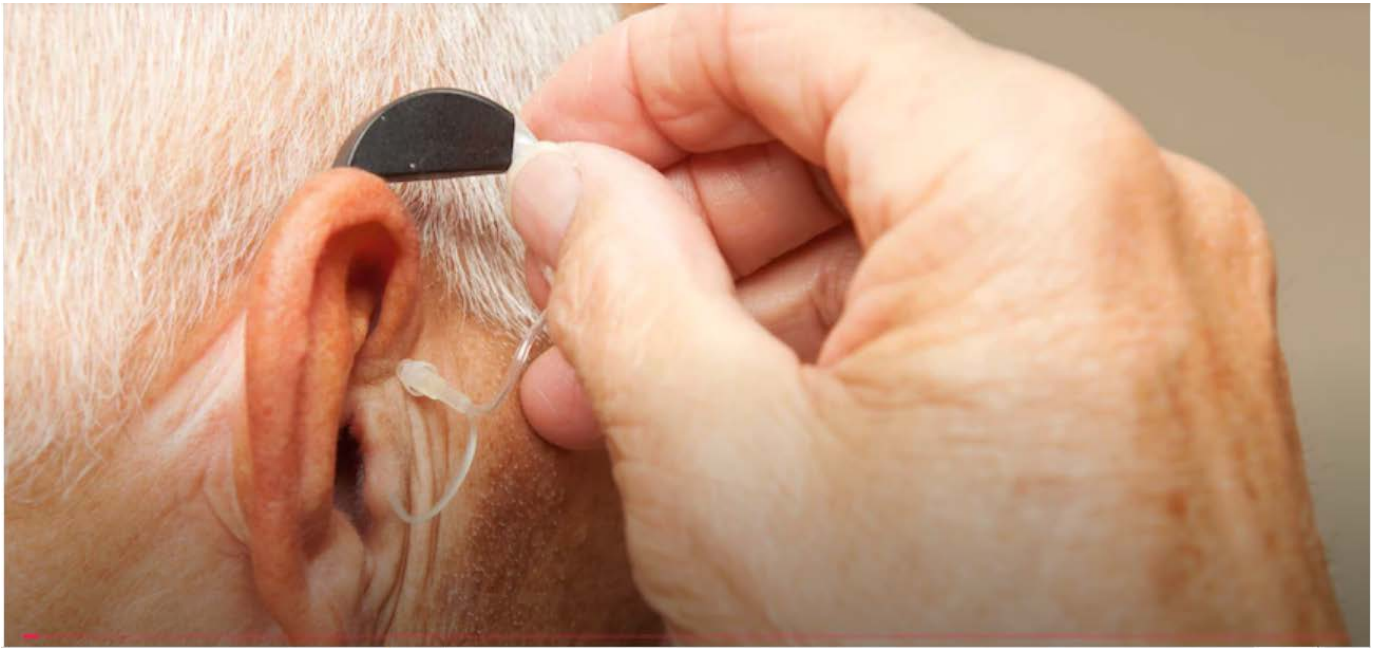


TRANSCRIPT – HAVE I GOT A HEARING AID FOR YOU?



Hagar Cohen: It's known as the silent disability, because people with a hearing loss are not so easy to spot.

All right, Tony, I'll get you to introduce yourself again. Give your whole spiel.

Tony Buckley: Hi, I'm Tony Buckley. I'm a film producer, ex film editor. You may have heard of *Wake in Fright* or *Caddie* or *Bliss*, or even *Oyster Farmer*, that's me.

Hagar Cohen: Like one in six people around Australia, renowned film producer Tony Buckley can't hear well. He's got hearing aids, which are almost invisible, and he's generally happy with the way they work. But it was what happened to him before he bought them that made him seriously question the hearing aid industry, and the audiology profession.

Tony Buckley: I went to the audiologist and had extensive tests done that morning. He was convinced I needed hearing aids, and hearing aids now.

Hagar Cohen: Then the audiologist told Tony Buckley the price.

Tony Buckley: Close on \$12,000, which I thought was a bit high. Also he'd made the recommendation of the hearing aids very quickly after concluding his tests and in fact while he was conducting the tests, which I thought was a bit rich.

Hagar Cohen: Tony Buckley was surprised that his audiologist acted more like a car salesman. He wondered whether the audiologist stood to gain from the sale of the expensive hearing aids.

Tony Buckley: And I looked at the audiologist and I said, 'You don't happen to be owned by the hearing aid manufacturer?' He was quite shocked and looked at me taken aback. We hadn't had any finalisation of the results of the tests when he was already selling me hearing aids.

Hagar Cohen: How was he selling those hearing aids to you?

Tony Buckley: Quite vociferously. I think the hearing industry should be a little more transparent than they are acting at the moment.

Hagar Cohen: What Tony Buckley didn't know is that most audiology clinics in Australia have financial links with hearing aid manufacturers. About a third of audiology clinics are vertically integrated, which means they are owned by the manufacturers. Others receive commissions on the sale of hearing aids, and there are attractive perks for audiologists who sell the more expensive models. As we'll hear, one company offered trips to Las Vegas.

Elsewhere in the health profession these practices are considered as corrupt, according to Professor of Medicine Paul Komesaroff.

Paul Komesaroff: In the medical profession, if a doctor prescribed a drug in a setting where he or she gained a commission or where a surgeon utilised a device in a setting where he or she gained a personal benefit from the sale of that device, that would be regarded as corruption, as a corrupt practice. In the case of audiology, it's become, at least to some extent, embedded systematically in the operation of the profession.

Hagar Cohen: This practice has become so widespread that even the government's clinicians receive bonuses if they sell the expensive models.

Audiologists receive commissions on the sale of the devices. Could that be seen as a conflict of interest?

Gina Mavrias: Yes, it could be seen as that. Again, it is something that happens across the industry, and it is something that Australian Hearing also does.

Hagar Cohen: Gina Mavrias is the operations manager of the government agency Australian Hearing. Audiologists there receive a 5% commission on the price of the device they sell. So, for example, they will receive \$600 for the sale a \$12,000 device. This is not disclosed to the patients.

Gina Mavrias: I don't believe we talk about the incentives in detail with any of our clients.

Hagar Cohen: Should they be disclosed?

Gina Mavrias: I think that's a good question to ask. Certainly that's something that we could do, it's just something we've thought has not really come into the conversation at this point.

(Editor's note: *Since this program first aired Australian Hearing has added a statement to its website that says, in part: 'Australian Hearing does reward its staff for excellent service and other achievements by way of additional payments.'* You can read the full statement [here](#).)

Hagar Cohen: In 2005 an influential report about the hearing impaired found that only a quarter of the people with hearing problems have hearing aids. This was seen by the industry as a massive business opportunity, although in reality, growth remains slow. Nevertheless, some of the bigger audiology clinics started aggressive marketing campaigns that targeted Australia's older population.

Martin Smith: My name's Martin Smith. I'm a retired 79-year-old. I was a research scientist at CSIRO for 25 years,

Hagar Cohen: Martin Smith's hearing began deteriorating years ago, in his 60s. He didn't think much of it at the time, until one day around 10 years ago he received in the mail an offer for a free hearing test.

Martin Smith: I wasn't very conscious of the fact that I couldn't hear, and one day I received an unsolicited letter from National Hearing, and I opened it and they invited me for a free hearing test, and I thought how wonderful. You know, what a great country. They must have a register of people getting older and surveying them. I thought it was some kind of government survey or something like that.

Hagar Cohen: It wasn't a government survey. It was a company called National Hearing Centres that sent him and thousands of others unsolicited letters as part of their marketing campaign.

Martin Smith wasn't the only one who confused it for an official government service. In fact at the time, the government regulator requested National Hearing Centres to change their script to reflect more accurately what they do.

Many of the people who responded to the National Hearing offer had nothing wrong with their hearing. But they came to have it checked, just in case.

In 2004 a senior audiologist with National Hearing Centres says she was expected to fit people with hearing aids, even if their hearing was normal. Dahlia Sartika says she refused to do this. She then was in trouble for failing to meet the company's sales targets.

Dahlia Sartika: The manager kept telling us that our performance is poor, based on that only.

Hagar Cohen: So why is your performance poor? Just because of the number of hearing aids that you sold?

Dahlia Sartika: Yes. And I also showed the number of patients that's got normal hearing. I kept the audiogram and then showed, and this is why we didn't fit.

Hagar Cohen: And the reason is that they didn't have a hearing problem?

Dahlia Sartika: Either they didn't have a hearing problem or they have medical problem like, say, middle ear problem so we have to send to the ENT. If it can get treated, then why we fit hearing aid?

Hagar Cohen: So for instance if a patient has an infection?

Dahlia Sartika: Yes.

Hagar Cohen: And that might affect their hearing?

Dahlia Sartika: Yes.

Hagar Cohen: Dahlia Sartika says she was shocked when she realised her skills in sales were more important than her skills as a health professional.

Dahlia Sartika: I hate it, I wasn't a salesman, I'm not a salesperson. Really, that's what I think, it's a conflict of interest. We're not selling cars. Because selling this hearing aid is affecting someone's welfare, wellbeing, so it's different.

Hagar Cohen: So how were those reasons treated in that company?

Dahlia Sartika: Ignored. Basically pure hearing aid selling.

Hagar Cohen: What about your performance as a professional audiologist, as a clinician?

Dahlia Sartika: It wasn't discussed. It wasn't...

Hagar Cohen: Never?

Dahlia Sartika: No, never.

Hagar Cohen: Dahlia qualified as a medical doctor overseas, and she has a postgraduate degree in audiology from Macquarie University in Sydney. She felt her integrity as a health professional was being compromised, so she resigned from National Hearing Centres.

That company has since changed ownership. They're now owned by Amplifon and have changed their name to National Hearing Care. A spokesperson for the company told *Background Briefing* it was difficult for them to comment on company practices during previous ownership. In a written statement Amplifon said:

Reading: National Hearing Care prides itself on the quality of its services, and our client complaint rate is in the top decile of industry performance. I can confirm that all of our clinical staff are registered professionals and that we invest heavily in training and support. We do not over-prescribe hearing aids. The allegations you raise pertain to 12 or 13 years ago. I am sure that over this period we have significantly improved the company even further, hence our position as a leader in the industry.

Hagar Cohen: Many audiologists are concerned about the standards in their industry. They feel their profession's reputation is being tarnished. Their work consists of much more than just fitting hearing aids to people.

Phil Nakad, from Macquarie University's audiology clinic, is about to test my hearing.

Are you going to really tell me what my hearing loss is?

Phil Nakad: If you want me to I will, yes. Do you want me to?

Hagar Cohen: Yes.

Phil Nakad: Have you had a hearing test before?

Hagar Cohen: I haven't.

Phil Nakad: What we're going to do, I'm going to put the headphones on you and play you a whole lot of beeping sounds, and every time you hear a beep, I want you to press this button.

Hagar Cohen: Okay.

Phillip Nakad: The sounds you're going to hear will be really, really soft, okay? What we're looking for are the absolute softest sounds you can hear. If you think you've heard something, I want you to still give the button a press.

Hagar Cohen: Okay, this is a bit nerve wracking.

[Sounds]

I was played a series of sounds that got softer and softer.

[Sound]

Phil Nakad: Great. Good, all done. Okay, so we'll take these off.

Hagar Cohen: It's good news; my hearing is fine

Phil Nakad: Your hearing is within normal limits within both ears. We say that anything at 20 decibels or softer is the standard we use in our clinic to basically put a limit on the normal range, and your hearing is comfortably within that 20 decibel limit.

Hagar Cohen: Phil Nakad says that most commonly people complain that they can't hear properly when there's background noise.

Phil Nakad: So whether it's hearing people in groups or hearing when they go to the restaurants, or hearing at parties, this is something we hear daily from multiple people. Things might become a bit more distorted and a bit harder to distinguish.

In terms of speech sounds you typically will see a confusion of consonants. For example, the 's' or 'f' sound in 'sunny' or 'funny' might be a classical example of where a person might mistake one sound and therefore one word for the other. When you miss a few keywords like that in a sentence, then essentially you have missed the sentence or you have guessed inappropriately at the sentence, and this is where you'll see family members start to comment, you know, that people are just filling in the gaps or nodding and smiling or not answering appropriately, it's often because they are making those types of confusions between consonants. And the brain wants to hear a continuous and full signal, so the brain essentially, from what we know, fills in those gaps with the most likely option, but not always the correct option.

Hagar Cohen: Here's an example of an airport announcement as heard by someone with normal hearing.

[Airport announcement]

And here's that same announcement, this time as heard by someone with a moderate hearing loss.

[Muffled airport announcement]

This kind of problem, where speech becomes muffled in a noisy and echoey environment, is very difficult to fix. Despite the marketing claims of hearing aids, Phil Nakad says they haven't yet found a solution.

Phil Nakad: If you believe the hype, every hearing aid has fixed that problem for the last 15 years. If you read the marketing brochures, every single hearing aid has fixed that problem. But every single one of our patients pretty much still has difficulty in background noise.

Hagar Cohen: Can you tell me, can a hearing aid fix that problem?

Phil Nakad: No. A hearing aid restores access to some of those sounds that are lost. Hearing aids are highly adjustable, very sophisticated and they do a lot of great things for people with hearing loss, but they do not fix the actual damage that is inside the ear.

Hagar Cohen: He says hearing aids are not the only solution to hearing loss.

Phil Nakad: And I have a feeling that devices alone, if we just look at hearing aids alone, that they would come up short in terms of being the sole instrument whereby hearing impaired people can gain benefit with their communication difficulties. I don't think hearing aids alone, no matter how good they get, can really fill the gap for people with hearing loss.

We don't believe hearing aids should be fit just to be put in a drawer. Hearing aids should be fit to be put in ears. So if people aren't ready to commit to using a device or wearing a device, well then it's a wrong rehabilitation approach. Really the hearing aid discussion would end there.

Hagar Cohen: Do you not have sales targets? You don't get commissions or anything like that out of hearing aid sales?

Phil Nakad: Nothing like that at our clinic. We don't have sales targets. We don't have commission. We feel that it's not appropriate for our model and what we are here for to put the emphasis on sales.

Hagar Cohen: Is it appropriate for any model in your view?

Phil Nakad: Personally, I don't think it is, no.

Hagar Cohen: Unlike most other health professionals, audiologists are not required to register as practitioners, and ethical guidelines aren't enforceable. To access government funding—for example subsidies of hearing aids for pensioners—audiologists are required to be members of the association called Audiology Australia, and most audiologists are. That association has a code of conduct, and receiving commissions on the sale of hearing aids is clearly against the code, according to independent Melbourne audiologist, Ross Dineen.

Ross Dineen: It's clearly against the ethical standpoint of all our professional associations to accept commissions from manufacturers. One of the problems that we have faced in the industry is that many of the workplaces in which audiologists are employed are not owned by audiologists, and the problem arises there that we are not controlling the standards and practices of services being provided within those organisations. And that's a source of some concern. I hate to see audiologists categorised as hearing aid sellers.

Hagar Cohen: What about individual audiologists entering into employment contracts that have a clear commission-based salary in their employment contract? Are they

breaking their code of conduct or code of ethics by signing those employment contracts?

Ross Dineen: In my personal opinion, yes.

Hagar Cohen: Audiology Australia's code of conduct states that: 'Members shall not enter into employment or business conditions that may compromise the independence of their clinical judgment.'

And that: 'Members must act in good faith and for a proper purpose and shall disclose, and take reasonable steps to avoid, any actual, perceived or potential conflict of interest that could improperly influence members' duties and responsibilities.'

The president of Audiology Australia, Professor Louise Hickson has told *Background Briefing* that the code of conduct doesn't mean audiologists shouldn't accept commissions on the sale of hearing aids. However, she said that these kinds of financial links with the device industry should be disclosed. You can read her statement on our website.

Background Briefing understands that most audiologists don't disclose these kinds of links, unless they are specifically asked to do that by their clients. Members who breach their code of conduct could have their membership revoked, but it hasn't happened yet.

Because of the way the profession is set up in Australia, it's not actually necessary to have any qualifications at all to sell hearing aids.

Louise Collingridge: Anybody in Australia could call themselves an audiologist. It's hard to know who has qualifications and who doesn't when there's no registration.

Hagar Cohen: Louise Collingridge is a qualified audiologist and an industry consultant and she says she receives many inquiries from people without qualifications who want to set up retail outlets for hearing aids.

Louise Collingridge: I can speak from firsthand experience of being contacted by people, and this happened fairly recently, who seem to have the idea that this is an area that they could get involved in and turn into a profitable business.

Hagar Cohen: Louise Collingridge says a registration system for audiologists is crucial.

Louise Collingridge: Registration does allow, and registration of other healthcare providers does allow the public to look up a provider and check on their qualifications, at the very least. So if I went to see a GP, and if I had any reason to question perhaps was that GP qualified or where were they qualified or when were they qualified, I can right now go on to the AHPRA website and look them up.

Hagar Cohen: Or if there have been any complaints as well.

Louise Collingridge: Or if there have been any complaints. Even if there were no complaints, even if I just wanted to know. I could do the same for a psychologist and for a physiotherapist, for a Chinese medicine practitioner, and for all including 10 different healthcare professionals. For an audiologist there is no register like that. I believe that the public deserves to be able to know who is treating them.

Hagar Cohen: Audiology in Australia is a relatively new profession. The private sector only started opening clinics in the mid '80s, and most of the clinics were independently run. But around a decade ago, things changed. The hearing aid manufacturers bought up many of the smaller clinics, and the industry became focused on selling devices.

Audiologist Ross Dineen says it all started when an influential report identified a huge growth potential in Australia's hearing aid market.

Ross Dineen: Well, the major change started soon after the Access Economics Report in 2005, which gave a very optimistic view of the business potential for hearing aid marketers in Australia, and at that point there was quite a substantial purchasing of practices in Australia and a setting up of practices by the manufacturers

Hagar Cohen: One of those independent clinics that had been bought by a hearing aid manufacturer was owned by audiologist Chris Whitfeld. His business had been bought by Connect Hearing, which is the retail outlet for the hearing aid manufacturer Sonova.

Whitfeld worked for Connect Hearing for a year before leaving. He couldn't reconcile the company's practices with his professional standards.

Chris Whitfeld: My main concern is really to do with vertical integration and where a clinic is owned by a hearing aid company, the clinicians are paid commissions for devices that they sell which are basically ramped up higher and higher towards the more expensive hearing aids. So there's a constant pressure on the clinician financially to use the higher-end hearing aids. So this is kind of the normal part of the way people are employed in hearing aids now.

Hagar Cohen: What's wrong with that? It's a commercial business.

Chris Whitfeld: It's probably manageable if it's disclosed, but when it's not disclosed, it just doesn't stack up against what the community expects, which is that those kinds of pressures would either be removed preferably or at least disclosed.

Hagar Cohen: So why aren't they disclosed?

Chris Whitfeld: It's not necessary that they be disclosed. So the arrangements are in place to suit the owners of the business. I would have needed to be free to disclose that to the clients and I don't think that would have been appreciated.

Hagar Cohen: Apart from commissions, from time to time Connect Hearing audiologists are also sent promotion opportunities, like sales competitions with attractive rewards. Here's a reading of one promotion sent to audiologists at Connect Hearing:

Reading: Hello Connectors,

I bet you are all wondering who is currently at the top of the Phonak & Connect Hearing Olympiad medal tally board!

The top two fitting clinicians will be flown to Las Vegas USA to attend the Advances in Audiology Conference. It includes economy international flights to Las Vegas USA, accommodation for five nights at the RM Resort Spa Casino and conference registration.

Plus the choice of either a coffee machine or TV screen for their clinic!

Hagar Cohen: Attached to this email was a document with a medal tally showing the name of the audiologist and how many hearing aid devices they sold that month. These commissions and incentives are not disclosed to clients.

Professor of medicine, and medical ethicist Paul Komesaroff says this example of a medal tally that promises the top seller a trip to Las Vegas is wrong.

Paul Komesaroff: It clearly documents the existence of an incentive system and a system of influence whereby audiologists are subjected to pressure to sell more of their products or sell more expensive products for their own benefit rather than primarily for the benefit of their patients.

Hagar Cohen: Paul Komesaroff is director of the Centre for Ethics in Medicine and Society at Monash University. He was instrumental in drafting the ethical guidelines for medical practitioners in the '90s, when many doctors had extensive connections with the pharmaceutical industry.

He was recently invited by the association called Independent Audiologists Australia to review their own ethical standards. That's when he discovered that many audiologists have financial links to hearing aid manufacturers.

Paul Komesaroff: It represents a dangerous duality of interest that I believe, in many cases, does actually constitute a direct conflict of interest. I feel that it is, in general, wrong and inappropriate for a clinical practitioner to obtain material gain from a clinical recommendation that he or she may make regarding a particular therapy, whether it be a pharmaceutical drug or whether it be a device.

Hagar Cohen: There are many different types of audiology clinics in Australia. Independent audiologists with no financial links with the device industry are in the minority. Other clinics are owned by manufacturers, lawyers, or other business groups.

The chain of audiology clinics called Attune Hearing is aligned with a group of ear, nose and throat specialists, or ENTs, who are also shareholders of the company. Their CEO Jenny Stevens says most audiology chains are commercially focused.

Jenny Stevens: They're very much a focus on product, a focus on price. They're commodity driven.

Hagar Cohen: So are you saying that many of those audiologists are no more than salespeople?

Jenny Stevens: Correct.

Hagar Cohen: And are you different?

Jenny Stevens: Because Attune is independent, we're not aligned with any manufacturer.

Hagar Cohen: Jenny Stevens says audiologists' salaries at Attune are commission based. But she says she's personally against it, and she was forced to introduce commissions in her company because the practice had become standard.

Jenny Stevens: Commissions are industry standard and when the manufacturers were consolidating, commissions were high, they were silly, and they were there to attract staff to those clinics. It's an expectation now. It's just part of the pay structure of audiologists. At present we're reviewing that reward structure because there's many clinicians within Attune who would prefer to not have that structure at all.

Hagar Cohen: But are you comfortable with the fact that it's industry standard?

Jenny Stevens: For me, I'm comfortable with it because our commission rates within Attune are very low and that doesn't drive behaviour.

Hagar Cohen: How can you be sure though that the commission structure doesn't sway audiologists to sell a particular type of hearing aid, or to sell a hearing aid at all?

Jenny Stevens: Because Attune has lost audiologists who have moved across to other providers who pay higher commissions, I feel quite comfortable that within Attune we have people who are making appropriate recommendations based on the results that they've found.

Hagar Cohen: Do you think that in the industry as a whole should there be a case that if it is industry practice and the commissioning structure is not going to go away, that at the very least those commissions should be disclosed to the public?

Jenny Stevens: Most definitely.

Hagar Cohen: And would you consider introducing such disclosures at Attune?

Jenny Stevens: If someone asks, we let them know, but we don't advertise that we disclose it, no.

Hagar Cohen: But do you think that that should be done?

Jenny Stevens: I think as an industry standard, yes.

Hagar Cohen: Jenny Stevens is the CEO of Attune Hearing.

This is *Background Briefing* on RN, and today's program is investigating the audiology profession and its financial links with the hearing aid industry.

Here's audiologist Louise Collingridge:

Louise Collingridge: From my own personal experience, I have worked in a situation where the business had what was called a dashboard. The dashboard would show on your computer screen, would show a target for the income that you had made for the month. All the time the level of the graph would be changing if you had ordered a hearing aid or someone had paid for a hearing aid that would be considered a sale. I thought when I went to work for that particular company that it wouldn't really bother me and I could ignore it. But even I found it very difficult to ignore, because the context that you put in, regardless of who we are, we feel under pressure to perform and to do the right thing within the company that we're working for. And so if the culture of the company is to try to maximise income through sales, then it's very hard not to fall into that or to be affected by that.

Hagar Cohen: Sometimes the demand that you will be focused on sales is even more direct. In 2007, Dahlia Sartika started working for a clinic whose parent company is the hearing aid manufacturer Widex. In 2009, Dahlia and other audiologists and employees of the company were required to participate in a sales training session.

Dahlia Sartika: Something happened at the very beginning of the training. The trainer started the training by saying that he never had extensive training like an audiologist, like all of us, but he was very successful in selling hearing aids. He has his own practice. Then he took out suddenly a copy of my certificate.

Hagar Cohen: Dahlia Sartika was shocked when she found that her professional certificate that was framed on the wall of her clinic was now in the hands of the marketing trainer. The trainer presented her certificate at the seminar, then he tore it up.

Dahlia Sartika: 'This is your certificate, Dahlia.' And then he ripped my certificate in front of everybody, and saying, 'This is meaningless. This is meaningless, if you do not sell.'

Hagar Cohen: Hearing aids?

Dahlia Sartika: Hearing aids, yes. 'If you're not good at selling hearing aids then these are meaningless.' And I couldn't really hear what he's saying, again, because I was so shocked.

Hagar Cohen: This experience shook Dahlia so much that she suffered from nightmares and anxiety. She says she felt that her dignity as a health professional had been compromised.

Dahlia Sartika contacted a lawyer who wrote to the operations manager of Widex Australia to complain about what happened. The lawyer wrote: 'It can be assumed that the trainer's conduct was deliberately designed to shock, intimidate and embarrass the clinicians in respect of their sales results.'

In response, Widex wrote a letter to Dahlia Sartika apologising for the distress their training had caused, saying the trainer's conduct was unacceptable and a breach of the company's values and policies.

Independent audiologist Kate Moore knows about Dahlia's experience. She says audiologists who are starting out fresh from university are particularly vulnerable.

Kate Moore: I think it's disappointing that audiologists work very hard to come out of university, which is now a Master's degree and they've studied long and hard and they're a health professional, and their university qualifications are surrounded around diagnosis and rehabilitation, and sales really doesn't come into the university degree at all, and we're not trained in that skill area. So I think it's unfortunate that when graduates come out from university they're often thrust into that environment, into an area that's very foreign to them, and they have expectations to perform and have the pressure to sell a certain product.

Hagar Cohen: Kate Moore.

The NGO Better Hearing Victoria receives hundreds of enquiries each year from hard of hearing people who feel that their clinicians tricked them in some way.

Carol Wilkinson sees many of the patients.

Carol Wilkinson: People who are just really just trying to sell something rather than provide a health benefit. In fact I quote from one of the guys: 'I felt they were more interested in my hip pocket than in offering healthcare. They won't answer my questions. The audiologist seemed to be more interested in sales than healthcare, and I was quoted over \$12,000 for a pair of hearing aids. I still don't really know what my hearing is like. Can you help me?'

Hagar Cohen: So he didn't actually understand the extent of his hearing loss?

Carol Wilkinson: He said, 'I couldn't get any answers. All I was told was 'This is what you need and this is what it will cost'.'

Hagar Cohen: The cost of the same hearing aid can vary substantially from one clinic to another. The initial cost of the device is usually quite expensive.

Carol Wilkinson: \$12,000, \$10,000. We even hear of hearing aid prices coming down amazingly as soon as somebody mentions, 'Look I'm sorry, I'll have to go somewhere else, I've been quoted half that somewhere else.' 'Oh don't worry, we can match that.' It's like a used car yard.

Hagar Cohen: So they are saying, 'Oh, I'm going to go elsewhere unless you can reduce the price of the hearing aid.' And the clinician just...

Carol Wilkinson: Suddenly it's half the price.

Hagar Cohen: Carol Wilkinson says patients' complaints are too easily dismissed.

Carol Wilkinson: Often when we get involved or we talk to people, the comeback is, 'Oh, look, they've got a hearing loss, they probably didn't hear us correctly.' Now, it's true that when you have a hearing loss, it is possible to misunderstand or mishear something. The problem is that, in my job, I just hear the same thing being 'misunderstood' over and over again.

Hagar Cohen: Apart from the private clinics, there's a government-run hearing agency called Australian Hearing. One part of it serves children and young adults, Indigenous people, and adults with complex needs. Their services are fully subsidised. The other part of Australian Hearing serves pensioners, and it's a profit making entity.

Pensioners are entitled to free hearing aids, but if they want the more expensive ones they need to pay a top-up amount, which is usually in the thousands.

Australian Hearing clinics also have sales targets for the number of top-ups they sell. In fact, across the organisation, 20% of the sales are supposed to be top-ups; that is, the more expensive devices that require additional payments. Carol Wilkinson says this pressure can filter down to the patients. She receives a large number of complaints from clients of the government-run clinics.

Carol Wilkinson: Even Australian Hearing have to make money these days. I would honestly say we get just as many issues, complaints about people going to Australian Hearing as we get from other private companies, yes.

Hagar Cohen: Australian Hearing's operations manager, Gina Mavrias, says they take complaints seriously, but they haven't received many. She rejects claims that their sales targets and bonuses drive the behaviour of their clinicians.

Gina Mavrias: The way it works is if a client chooses to buy a top-up device, they are offered a 55-day return period. And a clinician doesn't earn any bonus for the sale unless a client is happy with their device and chooses to keep it, so that it is not returned.

Hagar Cohen: But how can a patient be sure that Australian Hearing audiologists sell them hearing aids because they really need it and not because their commission might be affected and they might stand to gain financially from that particular sale?

Gina Mavrias: Look, I'm a clinician myself and a comment like that is offensive in many ways in that that's not what we are about.

Hagar Cohen: So why haven't they been disclosed at Australian Hearing? It's obviously in the code of conduct of Audiology Australia that audiologists must disclose those kinds of arrangements.

Gina Mavrias: Just in terms of the formal discussion, it's not being hidden in any way, it's not something that we spend very much time on.

Hagar Cohen: The Abbott government wants to privatise Australian Hearing, and a scoping study is underway.

When 79-year-old Martin Smith went along to test his hearing, he wasn't aware of any of what goes on in the industry. He first tested his hearing 10 years ago after receiving a letter with an offer of a free hearing test.

Martin Smith: I went over, and they gave me the test, and then fairly insistent that my hearing was fairly bad, they showed me a couple of graphs, and asked me if they could take an impression of my ear. They also suggested I definitely needed hearing aids. It was quite pushy, and then I inquired how much it was, and it was hellishly expensive, something like \$8,000, \$9,000.

Hagar Cohen: Martin Smith asked for some time to think, and he asked for a copy of his results. His GP, who viewed the results, was immediately alarmed because they showed the hearing loss was markedly different in both ears.

Martin Smith: That is unusual, and it could mean that there's a tumour involved or something, so he was quite disturbed by that and arranged for me to go to an ear, nose and throat specialist, and I did. I went to him, and he had an audiologist working with him, and she gave me the test and it showed hearing loss, but very different to what I'd received at this other place, and in fact the hearing loss in the two ears was fairly similar, so it was less of a cause for alarm, in any way.

Hagar Cohen: The second audiologist recommended he purchase a \$6,000 device, which he did.

Martin Smith: What happened in the subsequent few years, I had endless trouble with them. I hardly ever wore them. They never stayed in the ear correctly. This doesn't reflect well on me, but we had a final test with and without them, and I think I did better without them.

Hagar Cohen: Why did you buy them in the first place?

Martin Smith: I ask myself that every day. I think I was overawed, in a way. I thought I'm in the presence of a professional, and she says I need them. And I should have smelled a rat with that final test. I mean it's ridiculous.

Hagar Cohen: How does it make you feel?

Martin Smith: Well, I feel it was a dishonest sort of enterprise, the whole thing.

Hagar Cohen: *Background Briefing's* coordinating producer is Linda McGinness, research by Anna Whitfeld, technical production by Leila Shunnar, the executive producer is Chris Bullock, and I'm Hagar Cohen